

Document #4696

12/19/85

RESOLUTION OF THE BOSTON REDEVELOPMENT AUTHORITY
RE: FINAL DESIGNATION OF REDEVELOPER
APPROVAL OF FINAL WORKING DRAWINGS AND SPECIFICATIONS
AND PROPOSED DISPOSITION OF PARCELS SE-20, SE-22, SE-23,
SE-43, SE-44
IN THE SOUTH END URBAN RENEWAL AREA
PROJECT NO. MASS. R-56

WHEREAS, the Boston Redevelopment Authority, (hereinafter referred to as the "Authority"), has entered into a contract for loan and capital grant with the Federal Government under Title I of the Housing Act of 1949, as amended, which contract provides for financial assistance in the hereinafter identified Project; and

WHEREAS, the Urban Renewal Plan for the South End Urban Renewal Area, Project No. Mass. R-56, (hereinafter referred to as the "Project Area"), has been duly reviewed and approved in full compliance with local, State and Federal law; and

WHEREAS, the Authority is cognizant of the conditions that are imposed in the undertaking and carrying out of urban renewal projects with Federal financial assistance under said Title I, including those prohibiting discrimination because of race, color, sex, religion or national origin; and

WHEREAS, Tenants' Development Corporation has expressed an interest in and/or have submitted a satisfactory proposal for the development of Disposition Parcels SE-20, SE-22, SE-23, SE-43, SE-44 in the South End Urban Renewal Area; and

WHEREAS, the Authority is cognizant of Chapter 30, Sections 61 through 62H of the Massachusetts General Laws, as amended, with respect to minimizing and preventing damage to the environment:

NOW, THEREFORE, BE IT RESOLVED BY THE BOSTON REDEVELOPMENT AUTHORITY:

1. That Tenants' Development Corporation be and hereby is finally designated as Redeveloper(s) of Parcels SE-20, SE-22, SE-23, SE-43, SE-44 in the South End Urban Renewal Area.
2. That it is hereby determined that Tenants' Development Corporation possess the qualifications and financial resources necessary to acquire and develop the land in accordance with the Urban Renewal Plan for the Project Area.
3. That disposal of said Parcels by negotiation is the appropriate method of making the land available for redevelopment.
4. That the Final Working Drawings and Specifications submitted by Tenants' Development Corporation for the development of Parcels SE-20, SE-22, SE-23, SE-43, SE-44 conform in all respects to the Urban Renewal Plan for the Project Area, and that said Final Working Drawings and Specifications be and hereby are approved.

5. That it is hereby found and determined that the proposed development will not result in significant damage to or impairment of the environment and further, that all practicable feasible means and measures have been taken and are being utilized to avoid or minimize damage to the environment.

6. That the Director is hereby authorized for and in behalf of the Boston Redevelopment Authority to execute and deliver a Land Disposition Agreement and Deed conveying Parcels SE-20, SE-22, SE-23, SE-43, SE-44 to Tenants' Development Corporation, said documents to be in the Authority's usual form.

7. That the Secretary is hereby authorized and directed to publish notice of the proposed disposal transaction in accordance with Section 105(E) of the Housing Act of 1949, as amended, including information with respect to the "Redeveloper's Statement for Public Disclosure" (Federal Form H-6004).

San Diego: No. Apartments 12, No. Single Units 2, No. Studios 2-4
No. Family Units 1, No. Family Units 1, No. Family Units 1
No. 2 or 3 Units 1, No. 1 or 2 Units 1, No. 1 or 2 Units 1
No. Parking Spaces: Garage 2, enclosed 2, tandem car only 2
Land Value \$ 75,000 Land Value per Unit \$ 1,125
Total Sq. Ft. 6,750 Sq. Feet per Unit 1,125
Construction Cost per Sq. Ft. \$ 25.00 Cost per Unit \$ 28,125
Res. Loan \$ 13,125, 12% 5 yr. Total Loan \$ 64,688 Interest \$ 10,725

Commercial: No. Suites 2, No. Suites 1, Total Sq. Ft. 2,000
No. Parking Spaces: Garage 2, enclosed 2
Land Value \$ 3,000 Land Value per Sq. Ft. \$ 15.00
Construction Cost per Sq. Ft. \$ 15.00
Commercial Loan \$ 200,000 Total Loan as % of Total Loan 4.7

Construction Type: Type II 1, Type II or III/IV Type III 1, 4 or IV 1, Type IV 1
Construction Contract: Unit 1, Type III 1, Type IV 1

Standard and Services to be included in each (Apartment) unit:
light (), cooking (), sleep (), gas heat (), air heat (), refrigerator (w/ gas burner), elec. range (w/), dishwasher (w/), disposal (w/), exhaust fan (w/), central a/c (), a/c. systems (), window a/c. (), carpet (w/), drapes (w/), swimming pool (), elevators (w/), 1

Services to be provided: Tenants will pay domestic electricity, including fuel, telephone and
additional charges and miscellaneous charges, if desired.

TENANT'S USE

Site Fee Inv. \$ site fee'd. \$ total fee inv. \$ rate fee'd.
data presented to Board action of Board



PROPOSAL: COMMITMENT (x)
RECOMMITMENT ()
MORTGAGE INCREASE ()
CONSTRUCTION LOAN (x)
PERMANENT LOAN (x)

APPLICATION FOR MORTGAGE FINANCING FOR DEVELOPMENTS INCLUDING COMMERCIAL SPACE

Name of Project TDC III - MHFA #85-027-S
Address of Project 395, 397, 400 and 588 Massachusetts Avenue, Boston, MA
Name of Mortgagor TDC III Limited Partnership (Tenants Development Corp.)
Address of Mortgagor 663 Massachusetts Avenue, Boston, MA 02118

Signed Carole Quinerly (TP)
Title Carole Quinerly, Executive Director, TDC

Total Loan Amount \$ 4,502,390 Estimated Closing Date December 1985
Total Replacement Cost \$ 5,653,713 Equity Amount \$ 1,151,323
Construction Loan: Rate 9.5 % Override 4.5 % Term 14 Months Constant 0.10 4
Permanent Loan: Rate 9.5 % Override 4.5 % Term 30 Years Constant 0.11019532

Residential: No. Apartments 62 No. Buildings 3 No. Stories 4-9
No. Elderly Units 0 No. Family Units 62 No. Handicapped 5
No. Sec. 8 Units 16 No. Int. Sub. Units 25 No. Unsub. Units 21
No. Parking Spaces: outdoor 0 enclosed 0 spaces per unit 0
Land Value \$ 76,800 Land Value per Unit \$ 1,239
Total Sq. Ft. 67,732 Av. Gross Area per Unit 1,092 BR/unit 1.73
Construction Cost per Unit \$ 66,201 Const. Cost per SF \$ 65.22
Res. Loan \$ 4,322,105 % of Total Loan 96 % Res. Loan/Unit \$ 69,711

Commercial: No. Suites 2 No. Building 1 Total Sq. Ft. 2,800
No. Parking Spaces: outdoor 0 Enclosed 0
Land Value \$ 3,200 Land Value per Sq. Ft. \$ 1.14
Construction Cost per Sq. Ft. \$ 64.65
Commercial Loan \$ 180,285 Com. Loan as % of Total Loan 4 %

Construction Type: Type I (), Type II or III (48), Type IV (), V or VI (), Rehab (14)
Construction Contract: Union (), Open Shop (x)

Equipment and Services to be Included in Rent (Residential Only):

light (), cooking (), elec. heat (), gas heat (x), oil heat (), refrigerator (x),
gas range (), elec. range (x), dishwasher (*), disposal (x), exhaust fan (x),
central a.c. (), a.c. sleeves (), window a.c. (*), carpet (x), drapes (),
swimming pool (), elevators (no. 1)

Services Paid By Tenants: Tenants will pay domestic electric, cooking fuel,
*available for additional charge and dishwasher charge, if desired.

FOR AGENCY USE

site fee amt. \$ _____ date rec'd _____ appl. fee amt. \$ _____ date rec'd _____
date presented to Board _____ action of Board _____

RENT SCHEDULE IN ACCORDANCE WITH SECTIONS 6A AND 6B
OF COMPOSITE STATUTE DATED JANUARY, 1984

PROJECT: TDC III

MFHA PROJECT NO. 85-027-S

No. of Bedrooms

No. of Units

Net Rentable SF per Unit

Elevator - Non Elevator E/NE

Market Rent (Conventional Rent)

Rate: 15% Term: 25 Constant: .1547

MFHA Below Mkt. Rent (Cost Based

Rate: 10% Term: 30 Constant: .110195

Adjusted MFHA Rent

SHARP Per Unit

Private TDC Subsidy

Attainable Rent

Existing Sec. 8 Rent/707 Rent

Utility Allowance

Percentage of Sec. 8 Rent/707 Rent

LOW INCOME				MODERATE/MARKET				
1	2	3	4	0	1	2	3	4
5	6	4	1	2	23	13	7	1
555	650-800	1080	1400	400	555	650-800	1080	1400
3	2	5	1	3	1	0	0	2
2	1	1	0	2	16	7	13	0
968	1102	1283	1414	1073	1240	1416	1599	1804
699	833	1014	1145	804	971	1150	1330	1535
25-30% of income				N/A	N/A	N/A	N/A	N/A
171	225	280	335	129	171	225	280	335
50	50	50	50	50	50	50	50	50
25-30% of income				625	750	875	1000	1150
478	558	684	760	N/A	N/A	N/A	N/A	N/A
24	30	35	39	N/A	N/A	N/A	N/A	N/A
100%	100%	100%	100%	N/A	N/A	N/A	N/A	N/A

MAXIMUM SHARP LOAN

FIRST YEAR SHARP LOAN

BR Units

BR Units

0	2	x	2,078	=	0	2	x	=
1	28	x	2,597	=	1	28	x	=
2	19	x	3,245	=	2	19	x	=
3	11	x	3,895	=	3	11	x	=
4	2	x	4,545	=	4	2	x	=
190,462				Total =	157,955 (82.9%)			

Memo Item

Dividend Calculator: 6% on \$ 1,159,323 equal \$ 69,559 Annual Dividend

*Rounded to nearest dollar.

Note: The developer has sought and expects to receive a commitment of funds from the City of Boston Neighborhood Development Fund to reduce rents on approximately 25 market rents units to levels affordable by moderate income households. Moderate income units will be evenly distributed throughout the development and we expect to consist of 2 studios at \$300, 11 one bedrooms at \$350, 7 two bedrooms at \$400, and 5 three bedrooms at \$500 per month.

SUMMARY OF PROJECT INCOME, EXPENSES & DEBT SERVICE COVERAGE

ANNUAL RENTAL INCOME

Mod/Market Units (Attainable) \$ 456,300

Low Income Units (8.8/707 Rents) \$ 110,808

GROSS RESIDENTIAL INCOME \$ 567,108

Less Vacancy Factor

Mod/Market Units 5 22,815

Low Income Units 5 5,540

Total Vacancy (\$ 28,355)

1. EFFECTIVE RENTAL INCOME (Fill in Projected Date 95% Occupancy May 1987) \$ 538,753

INCOME FROM OTHER SOURCES (SPECIFY)

Laundry \$6.00 x 62 units = \$ 372 x 12 \$ 4,464

Parking 0 spaces at \$ - month x 12 \$ 0

Less - % Vacancy \$ 0

Show Calculations on Attached Worksheet

Office space: 800 SF @ \$10/SF 8,000

Other Restaurant: 2,000 SF @ \$10/SF 20,000

Other TDC Private Subsidy 37,209

Other Less Vacancy 10% (2,800)

2. TOTAL OTHER INCOME \$ 66,873

3. SHARP LOAN (FIRST YEAR) \$ 157,955

4. ANNUAL OPERATING EXPENSES Residential Commercial (\$ 212,826)

5. NET INCOME \$ = {1+2+3(4)} \$ 545,755

6. DEBT SERVICE (Constant 0.1709535) x \$ 4,502,390 loan \$ 496,142

7. DEBT SERVICE COVERAGE RATIO 1:1.1 1.1 Perce

8. ACTUAL DEBT SERVICE COVERAGE (Line 8 Must Equal Line 7) 1.10

*Vacancy includes 10% loss on office space, restaurant.

TOTAL ANNUAL OPERATING EXPENSE SCHEDULE

PROJECT TDC III

MORTGAGE APPLICATION PAGE 3a
MHFA NO. 85-027-S

<u>ITEM</u>	<u>RESIDENTIAL</u>	<u>RES. PER UNIT</u>	<u>COMMERCIAL</u>
<u>Management Fee</u>	<u>34,105</u>	<u>545</u>	Included in residential
<u>Administrative</u>			
Payroll Expenses-Incl. Taxes, etc.	11,500	185	0
Legal	1,925	31	0
Audit	1,975	32	0
Marketing Expenses	1,000	16	0
Telephone	1,500	24	0
Office Supplies	500	8	0
Other Administrative Expenses	500	0	0
Sub-total - Administrative	<u>18,900</u>	<u>305</u>	included in residential
<u>Maintenance</u>			
Payroll Expenses-Incl. Taxes, etc.	20,500	331	1,250
Janitorial Materials	475	8	25
Landscaping	475	8	25
Decorating (interior only)	7,300	118	0
Repairs (interior and exterior)	4,738	76	720
Elevator Maintenance	1,500	24	0
Garbage and Trash Removal	-	-	-
Snow Removal	250	4	0
Exterminating	3,000	48	-
Pool Maintenance	-	-	-
Miscellaneous	2,500	40	-
Sub-total - Maintenance	<u>40,738</u>	<u>657</u>	<u>2,020</u>
<u>Security</u>	<u>0</u>	<u>0</u>	<u>-</u>
<u>Utilities</u>			
Electricity	7,500	121	0
Gas	30,000	484	0
Oil	-	-	-
Water and Sewer	8,500	137	800
Sub-total - Utilities	<u>46,000</u>	<u>742</u>	<u>800</u>
<u>Utility Allowance (Section 8 Only)</u>	<u>5,748</u>	<u>359*</u>	
<u>Insurance</u>	<u>10,850</u>	<u>175</u>	<u>1,000</u>
<u>Oper. Exp. Before Tax & Rep. Res.</u>	<u>156,241</u>	<u>2,517**</u>	<u>3,820</u>
<u>Taxes</u>			
Real Estate Taxes	39,689	640	1,400
Other Taxes	-	-	-
Sub-total - Taxes	<u>39,689</u>	<u>640</u>	<u>1,400</u>
<u>Replacement Reserve (.75% dir. con.)</u>	<u>22,320</u>	<u>360</u>	included in residential
<u>Utility Allowance (Section 8 Only) (</u>	<u>5,748</u>	<u>359*</u>	
<u>TOTAL ANNUAL OPERATING EXPENSES</u>	<u>212,602</u>	<u>3,424</u>	<u>5,220</u>

*For 16 units only

**Utility allowance amount included for 16 units only

Square Footage and Construction Cost Information

Gross Residential Square Footage	62,932
Gross Community Square Footage	2,000
Gross Commercial Square Footage	2,800
Gross Square Footage	67,732
Net Rentable Square Footage	56,220
Net Rentable Res. SF as % Gross Res. SF	78.9
Net Rentable Commercial Square Footage	2,800
Construction Cost per Gross Res. Sq. Ft.	65.22
Construction Cost per Residential Unit	66,201

Direct Construction Costs

(Includes \$171,020 Commercial)

4,275,500

Construction Fees

Surveys, Permits, etc.	61,000
Bond Premium (.7% dir. const.)	24,500
Arch. Design (% dir. const.)	146,250
Arch. Inspec. (% dir. const.)	48,750
	280,500

Total Fees

280,500

Total Construction Costs

4,556,000

General Development Costs

Construction Loan Interest	
months 14 rate 10.4%	273,145
Real Estate Taxes	6,200
Insurance	12,400
MHFA Site Inspection Fee	22,512
MHFA Application Fee	13,507
MHFA Financing Fee (2 % loan)	90,048
Legal Fees/organizational	50,000
Title and Recording Expenses	25,000
Accounting & Cost Certification	6,000
Rent-up and Marketing	12,200
Relocation	0
Appraisal Fees	0
Credit for Rental Income	0
Total Gen. Development Costs	511,012

511,012 2

Developers' Fee (10% of Lines 1 & 2)

506,701 3

Land 18,500 sq.ft. @ \$4.32 per sq.ft.

80,000 4

Total Replacement Cost

5,653,713 5

Equity - Developers' Fee

506,701

cash

644,622

Total

(1,151,323) 6

Loan Residential - \$4,322,105 Commercial - \$180,285

4,502,390 7

Loan/Replacement Cost Ratio

79.64 8

TRADE ITEM BREAKDOWN

FOR DEVELOPMENTS INCLUDING RESIDENTIAL ~~SPACE ONLY~~ and Commercial space

Name of Project TDC III

Name of Contractor John B. Cruz Construction Co., Inc.

Address of Contractor 10 Fairway St., Mattapan, MA Phone: 617 296-5040

Signed Ronald Furr
Title Ronald Furr, Vice President

<u>CONSTRUCTION COST ESTIMATE ITEMS</u>	<u>Total Estimate</u>	<u>Commercial</u>	<u>Residential</u>
1. general conditions	<u>257,793</u>	<u>10,312</u>	<u>247,481</u>
2. excavation	<u>45,000</u>	<u>1,800</u>	<u>43,200</u>
3. unusual site conditions	<u>-0-</u>	<u>0</u>	<u>0</u>
4. paving & Sitework	<u>100,000</u>	<u>4,000</u>	<u>96,000</u>
5. structural concrete	<u>577,000</u>	<u>23,080</u>	<u>553,920</u>
6. structural steel	<u>55,000</u>	<u>2,200</u>	<u>52,800</u>
7. reinforcing steel	<u>10,000</u>	<u>400</u>	<u>9,600</u>
8. miscellaneous metals	<u>130,000</u>	<u>5,200</u>	<u>124,800</u>
9. carpentry and millwork	<u>200,000</u>	<u>8,000</u>	<u>192,000</u>
10. roofing, flashing and caulking	<u>60,000</u>	<u>2,400</u>	<u>57,600</u>
11. windows and doors	<u>150,000</u>	<u>6,000</u>	<u>144,000</u>
12. glass and glazing	<u>-0-</u>	<u>0</u>	<u>0</u>
13. masonry	<u>438,000</u>	<u>17,520</u>	<u>420,480</u>
14. hardware	<u>25,000</u>	<u>1,000</u>	<u>24,000</u>
15. floor and wall covering	<u>100,000</u>	<u>4,000</u>	<u>96,000</u>
16. interior wall construction	<u>470,000</u>	<u>18,800</u>	<u>451,200</u>
17. painting	<u>68,000</u>	<u>2,720</u>	<u>65,280</u>
18. kitchen and special equipment	<u>105,000</u>	<u>4,200</u>	<u>100,800</u>
19. plumbing & Sprinklers	<u>346,260</u>	<u>13,850</u>	<u>332,410</u>
20. HVAC	<u>193,500</u>	<u>7,740</u>	<u>185,760</u>
21. electrical	<u>317,000</u>	<u>12,680</u>	<u>304,320</u>
22. industrial components	<u>-0-</u>	<u>0</u>	<u>0</u>
23. Elevators	<u>105,000</u>	<u>4,200</u>	<u>100,800</u>
24. Commercial space	<u>120,000</u>	<u>4,800</u>	<u>115,200</u>
25. Compactor/trash chute	<u>18,000</u>	<u>720</u>	<u>17,280</u>
26. Demolition	<u>50,000</u>	<u>2,000</u>	<u>48,000</u>
27.	<u>0</u>	<u>0</u>	<u>0</u>
28. contractor's general overhead	<u>78,811</u>	<u>3,152</u>	<u>75,659</u>
29. contractor's profit*	<u>256,136</u>	<u>10,245</u>	<u>245,891</u>
<u>TOTAL AMOUNT</u>	<u>4,275,500</u>	<u>171,020</u>	<u>4,104,480</u>

Estimate Valid for Construction Start on: 12/85

Number of Months to Complete Construction 14 months

*Not available if identity of interest exists between mortgagor and contractor.

Dec # 4696^{4A}

MEMORANDUM

December 19, 1985

TO: BOSTON REDEVELOPMENT AUTHORITY AND
STEPHEN COYLE, DIRECTOR

FROM: RICARDO A. MILLETT, ASSISTANT DIRECTOR FOR
COMMUNITY PLANNING AND DEVELOPMENT
MARIA FARIA, SOUTH END PROJECT COORDINATOR

SUBJECT: SOUTH END URBAN RENEWAL AREA, PROJECT NO. MASS.
R-56 FINAL DESIGNATION OF REDEVELOPER OF REUSE
PARCELS SE-23, SE-22, SE-44, SE-20 AND SE-43,
LOCATED AT 395-397, 390-408 MASSACHUSETTS AVENUE

SUMMARY: This memorandum requests that the Authority finally designate Tenants' Development Corporation as redeveloper of Reuse Parcels SE-23, SE-22, SE-44, SE-20 and SE-43 for the creation of 58 mixed-income rental units and commercial space in the South End Urban Renewal Area.

On December 13, 1979, Tenants' Development Corporation (TDC) of 663 Massachusetts Avenue, a minority South End based development group, was tentatively designated as redeveloper of 395-397, 404-408 Massachusetts Avenue. TDC was tentatively designated to develop these buildings as mixed-income housing.

On March 21, 1985, TDC was tentatively designated as redeveloper of the vacant land at 390-402 Massachusetts Avenue and dedesignated, without prejudice, 397 Massachusetts Avenue.

On September 26, 1985, TDC was tentatively redesignated as redeveloper of 397 Massachusetts Avenue in order to create five mixed-income rental units.

TDC's proposal calls for the development of 395, 397, and 390-408 Massachusetts Avenue along with 588 Massachusetts Avenue, a TDC-owned building, into a total of 62 mixed-income residential units and 2,800 square feet of commercial space. Fourteen of the units will be contained in the three buildings at 395, 397 and 588 Massachusetts Avenue. The remaining 48 units and 2,800 square feet of commercial space will be developed through new construction at 390-408 Massachusetts Avenue. TDC is proposing an overall income mix of 25% low-income units, 40% moderate-income units, and 35% market rate units at 395, 390-408 Massachusetts Avenue. At 397 Massachusetts Avenue the unit distribution will be 20%-60%-20%.

The total development cost has been estimated at \$5,653,713. According to the financial information provided, TDC intends to finance this development through a \$4,502,390 MHFA mortgage and \$1,151,323 in equity. TDC has been awarded a SHARP in the amount of \$157,955 per year so that 25% of the units may be offered at low income rents. The developer expects to receive a commitment of funds from the City of Boston NDF to finance the reduction of rents on 40% of the units to accomodate moderate income residents. The fifteen year commitment is estimated at \$119,784 per year.

TDC has agreed to grant MBTA an easement at 400 Massachusetts Avenue where the property abuts the South West Corridor.

TDC's development consultant is Greater Boston Community Development, Inc. and Stull & Lee, Inc. is the architectural firm. Cruz Construction Company will be the general contractor. Each firm has proven abilities in housing construction, development, and construction management.

Also, in compliance with all aspects and specifications of the South End Urban Plan, the submitted drawings of Tenants' Development Corporation have been reviewed and approved by the Authority's Urban Design Department.

It is, therefore, recommended that Tenants' Development Corporation be finally designated as Redeveloper of Parcels SE-22, SE-23, SE-44, SE-20 and SE-43, located at 395-397, 390-408 Massachusetts Avenue in the South End Urban Renewal Area.

An appropriate resolution is attached.

